

Strategic Business Process Analysis and Reengineering

Creating Value through Reinvention of the Enterprise

Introduction

If your only tool is a hammer, you are likely to treat every problem as a nail.

Business Process Reengineering (BPR) was originally used as a hammer to fix a lot of real and perceived problems that enterprises had in the early 1990's. It resulted in corporate restructuring, outsourcing, downsizing and delayering with positive and negative effects. The outcome was generally a more competitive enterprise. Over this decade, BPR has been modified to include concepts such as:

- Total Quality Management (TQM)
- Information Technology (IT) integration
- Integration of short term strategy
- Organizational Development (OD) and Organizational Transformation (OT)
- Knowledge Management
- E-Commerce
- Long term strategy

BPR is presently still being adapted to meet the changing needs of organizations.

Reinventing the Enterprise

The steps to reinvent the enterprise (corporation, municipality, not for profit) achieving competitive advantage and creating wealth are:

1. Develop a strategy for the enterprise (vision, mission, goals and strategies)
2. Determine the knowledge management capabilities required to implement this strategy

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3. Identify the critical processes of the enterprise
4. Understand how the present processes work
5. Determine the information technology leverage possible
6. Determine the portions of the process that can be outsourced
7. Redesign the process (Reengineering)

Principles of Reengineering

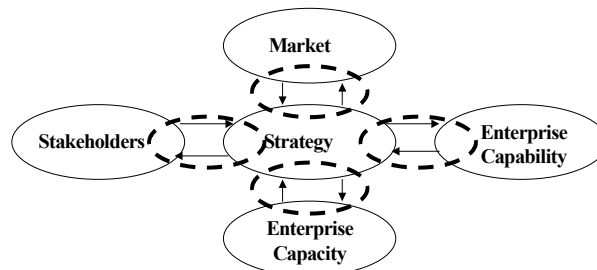
The basic principles of reengineering are:

- Organize around outcomes, not tasks
- Have those who use the output to perform the process
- Subsume information processing work into the real work that produces the information
- Treat geographically disperse resources as though they were centralized
- Link parallel activities instead of integrating their results
- Put the decision point where the work is performed, and build control into the processes
- Capture information once and at the source

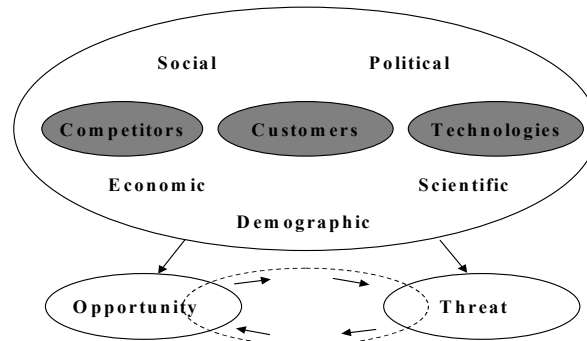
Information technology is a key enabling force that makes these principles real. However, information technology is there to serve the enterprise and not the other way around.

Strategy and the Enterprise

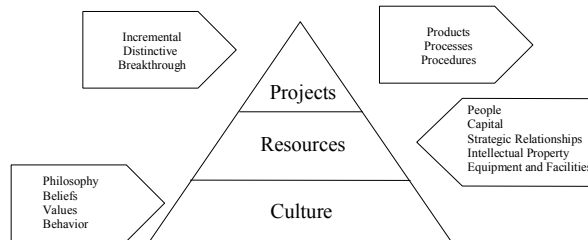
A strategy is a description of the manner in which an enterprise intends to gain a competitive advantage. Strategies describe actions aimed directly at altering the strength of the enterprise relative to that of its competitors. Strategies should allow the enterprise to gain a relative advantage through measures its competitors will find hard to follow and allow the advantage to be extended even further. Strategy development results from the continuous application and interaction of three fundamental thinking skills -- identification of elements and scope, analysis, and synthesis.



The basic elements of a strategy for an enterprise are -- the market (comprised of customers, competitors and technology embedded in a milieu of social, political, economic, demographic and scientific driving forces for change), stakeholders, enterprise capability and enterprise capacity.

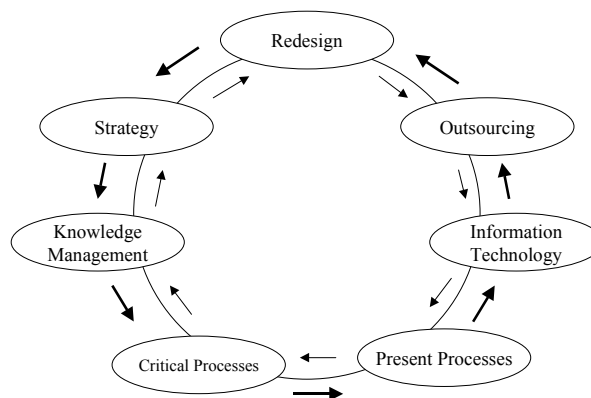


The enterprise capability and capacity are defined by its projects, resources and culture.



Getting Started

Rarely is the goal of a reengineering project to reinvent the enterprise. In most cases more modest outcomes are expected, and hence less risk as well. Ideally one should start the reengineering with the development of a strategy. However, the steps described above are not linear. There is much interactivity between all of the steps. While beginning with the strategy is clearly the best, in practice many enterprises begin to recognize their need for change, for example, as a project to integrate information technologies into their business processes or a



project to outsource some non critical steps in the business process to save money.

Regardless of where you have begun, we can help you put your reengineering project on the right foundation by developing the strategy that can set your enterprise on a course of reinventing itself and gaining significant competitive advantage.

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